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SENSITIVE
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C O R R E C T E D COPY CAPTION
PM/DTCC - BLUE LANTERN COORDINATOR
FOR PETER SABATINI, PM/DTCC
FOR STACIE ZERDECKI, EUR/WE

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [SP](#)
SUBJECT: REPLY TO ELINT-RELATED BLUE LANTERN 050179563
(UNFAVORABLE) AND 050141626 (FAVORABLE)

REF: A. STATE 81475
[B.](#) 9/01/09 MURRAY-SABATINI E-MAILS
[C.](#) 9/08/09 CEBALLOS LETTER AND ATTACHMENT
[D.](#) MADRID 908
[E.](#) STATE 96274
[F.](#) MADRID 777
[G.](#) MADRID 453

[1.](#) (SBU) Amid heightened suspicion of wrong-doing, including unauthorized storage of night vision devices and falsification of orders by Spanish defense distributor Elint S.A. (refs D, F, G), Post enjoyed the full cooperation of Spanish Ministry of Defense contacts in investigating two unrelated Elint orders for battlefield effects simulators (ref A). Both cases involved significant quantities of paint balls, rechargeable batteries, landmine trainers, and other items intended for the end use of the Spanish Army in preparing soldiers to recognize improvised explosive devices and other threats. No DSP-83 end-use certificates were submitted for either license, nor did PM/DTCC have any documentation signed by GOS entities (ref B). MOD Directorate General of Armament and Materiel (DGAM) Subdirector General for International Relations BG Jose Luis Ceballos Porras, who met with Pol-Mil officer and ODC chief September 3 regarding these cases and the ongoing investigation of Elint, confirmed only one of the orders for simulation supplies and refutes the second, much higher-valued order.

Post-Shipment Check on License 050141626

[2.](#) (SBU) Post can confirm the specific types and value of commodities ordered and will forward Spanish Army documentation of what appears to be a legitimate order. Regarding ref tel A request to verify the Spanish Army's purchase and receipt of USD \$8,748.00 worth of non-pyrotechnic battlefield effects simulators for the training of Spanish soldiers in recognition of IEDs, suicide bombers, and booby traps, Spanish MOD advised the order was within the realm of the possible because up to USD \$90,000 had been authorized for such purchases, and DGAM would compare line items to confirm. Spanish MOD provided Post on September 8 documentation verifying the purchase of Euros 6,245.98 worth of simulation and training products from Combat Training Solutions via foreign consignee Elint. The DGAM dual-use transfer license signed January 19 includes an inventory of products in Spanish that correlates down to exact part numbers with the product list (ref A) of items exported by Combat Training Solutions on January 29.

Pre-License End-Use Check on Application 050179563

¶3. (SBU) However, Spanish MOD contacts questioned from the beginning the veracity of a subsequent purchase order for USD \$15,276,600.00 worth of battlefield effects simulators (ref A) and held that no Spanish military entity would have been authorized to order such materials in such quantities in light of current budget constraints. PM/DTCC noted September 1 that the Elint purchase order was of exceptionally bad copy quality and difficult to read due to small print (ref B). Neither this license application nor the previous shipment, subsequently confirmed, had any documentation signed by the Spanish Army or any other GOS official. Based on assertions made September 3 by Ceballos and the lack of GOS documentary support, PM/DTCC returned license application 050179563 without action (RWA). In his letter dated September 8, Ceballos reiterated that the Army's initial response denied existence of the order.

¶4. (SBU) Subsequent to the RWA notification, beginning September 14, Elint Product Manager Carlos Dominguez nonetheless placed numerous calls to Madrid ODC inquiring about the administrative hold. Elint also lobbied Combat Training Solutions, a company representative of which contacted the U.S. Commercial Service via the Denver office for assistance. Dominguez maintained that the Spanish Army needed the battlefields effects simulators urgently and asked who he might contact to break what he perceived to be a bureaucratic logjam. The Spanish MOD subsequently received a written response the week of October 5 from the Spanish Army stating that the Army did not/not order the material referenced in the MOD's query based on our request (ref A). As of October 7, General Ceballos planned to notify ODC Chief in writing of the result of their investigation.

Continuing Investigation of Elint

¶5. (SBU) Elint was placed under a Policy of Denial by the United States on September 24, in close coordination with Spain's DGAM, which has likewise instructed the Spanish services to refrain from using Elint. Spanish MOD and Spanish National Police contacts investigating Elint's prior offenses await original documentation requested by PM/DTCC of N-Vision Optics LLC o/a September 23 in order to take legal action against Elint.

CHACON